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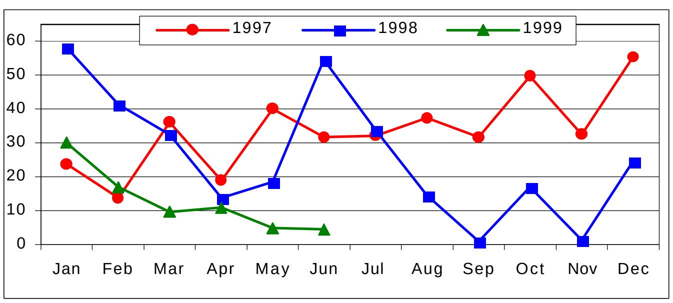
Laying Cage Proposals in the EU

The latest EU proposals for changes in laying cages could seriously damage the future prospects for the EU egg industry. The use of alternative layer housing systems at present represents less than 10% of commercial egg production in the European Union countries. Early estimates of the likely cost per bird housed suggest that enriched cages would be around 165% of conventional fully-automatic multi-tier cages.

Professor Windhorst, University of Vechta Institute for Spatial Analysis and Planning in Areas of Intensive Agriculture, pointed out the declining position of European countries in world egg production. India and Turkey are coming into the world market and they will not hesitate to target Europe for their exports. Reviewing comparative egg production costs, Professor Windhorst underlined the importance of low feed costs in the U.S.A., Canada and Brazil. India and Thailand also ranked among the most profitable for egg production.

Source: International Egg Commission, August Newsletter

Frozen Leg Quarters Exported to Russia



Source: Department of Commerce, Bureau of the Census

U.S. Egg Industry

In July egg prices in the U.S.A. were at the lowest level in 40 years. With prices 20 cents per dozen below the cost of production a farm with a million hens was losing $10,000 a day and the industry was losing $2.5 million a day. The United Egg Producers has issued warnings to the industry since October 1998 on the need to manage egg supply to meet market demand.

According to Don Bell of the University of California, current projections for the remainder of 1999 point to 273.5 million layers by the end of the year. The average size of the flock for 1999 is estimated at 264.6 million compared with 254.3 million in 1998. Forecasts for the year 2000 are for 272 million layers. Don Bell argues that prices could fall by 10 cents per dozen in 1999 and a further 7 cents in 2000. Such prices would put many producers out of business.

Source: International Egg Commission, August Newsletter

India Dairy, Livestock & Poultry Poultry Annual - Revised 1999

Low profitability is slowing the expansion of India's poultry industry to about 3 percent this year (CY 1999). Production is expected to accelerate next year for cyclical reasons and in response to falling feed costs arising from liberalized access to world corn supplies. Output is estimated at 35 billion eggs and 680,000 tons of meat. Production is forecast to accelerate to 37 billion eggs and 715,000 tons of meat next year due to stronger demand and reduced feed costs resulting from increased imports of corn.

Egg powder producers consume less than one percent of total production, and produce mainly for export as domestic demand is almost nil. Due to the slump in world markets, three of India's six manufacturing facilities have closed and the other three operate at less than one-third of capacity. Egg powder exports are estimated to have declined by 35 percent to 115 million shell egg equivalents in CY 1998. They are expected to plunge to 40 million in CY 1999 and remain there through CY 2000.

Exports of eggs/egg products and poultry meat are under no restrictions, while imports are effectively banned by licensing requirements. India exports large quantities of table and hatching eggs to the Middle East, specifically to the UAE, Oman, Saudi Arabia, Kuwait and Bahrain, all of which contain a large population of ethnic Indians. Exports of egg powder (estimated at 115 million shell egg equivalents) have been adversely affected by the global economic slowdown, stringent quality standards imposed by the EU, and cheaper supplies from Thailand and Brazil.

Table egg exports fell sharply last year, from 150 million pieces (CY 1997) to 120 million pieces (CY 1998). Traders blame "highly-subsidized" EU eggs. Middle-Eastern countries and the Maldives are the major export markets for Indian table eggs. Table egg and hatching egg exports are forecast to reach 140 and 105 million eggs, respectively, in CY 2000 on revived demand from traditional markets.

Imports of poultry meat are sharply restricted. Only luxury hotels may import the product, and they must pay a tariff of 21.2 percent. Some feed ingredients such as lysine, methionine, choline, vaccines and vaccine related raw materials can also be freely imported.

Removal of quantitative barriers in accordance with WTO disciplines seems likely to lead to large imports of poultry meat beginning in 2003. Indians prefer dark meat to light, and even with high duties, US legs should be competitive with the Indian product. Despite current restrictions which permit only luxury hotels to import poultry meat, US exports of poultry meat to India reached 125 tons in CY 1998.

Source: USDA/Foreign Agricultural Service

INSPECTED EGG PRODUCTS

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Type	Week Ending August 21, 1999 1999	1998 /1	Year-To-Date 1999	1998
Liquid	428	759	8,913	9,510
Frozen	0	0	6	50
Dried	0	40	384	415
Total	428	799	9,303	9,975

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Type	Week Ending August 21, 1999 1999	1998 /1	Year-To-Date 1999	1998
Liquid	192	86	3,066	2,696
Frozen	57	0	242	146
Dried	0	0	166	235
Total	249	86	3,474	3,077

Inspected Shell Eggs

U.S Exports To Canada, In 30-Dozen Cases (Preliminary)

Type	Week Ending August 21, 1999 1999	1998 /1	Year-To-Date 1999	1998
Jumbo	89	0	833	958
Extra Large	1,880	210	23,759	24,567
Large	7,148	1,600	83,178	69,747
Medium	840	2,437	33,342	38,963
Ungraded	24,230	12,658	368,294	171,123
Misc	120	0	4,608	6,133

/1 Comparable Week, to-date figures may not total due to rounding.
Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 21-Aug-99

PRELIMINARY

U.S. FOWL SLAUGHTERED DOMESTICALLY (000'S)

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	1,952	1,564	3,516
LAST WEEK	1,910	1,542	3,452
SAME WEEK YR AGO	2,067	1,307	3,374
TO-DATE/1999	70,830	45,199	112,513
TO-DATE/1998	69,432	41,690	107,748

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	354	0	354
LAST WEEK	455	7	462
SAME WEEK YR AGO	534	0	534
TO-DATE/1999	15,903	181	16,084
TO-DATE/1998	18,054	239	18,293

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	2,306	1,564	3,870
LAST WEEK	2,365	1,549	3,914
SAME WEEK YR AGO	2,601	1,307	3,908
TO-DATE/1999	86,733	45,380	128,597
TO-DATE/1998	87,486	41,929	126,041

CENTRAL REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 27-AUG-99

CHICKEN PRICES

FAT CONTENT	FROZEN FOB DOCK	FROZEN DELIVERED	FRESH FOB DOCK	FRESH DELIVERED
15% OR LESS				
RANGE	-	22.00	-	-
WTD AVERAGE		22.00		

40,000 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

FAT CONTENT	FROZEN FOB DOCK	FROZEN DELIVERED	FRESH FOB DOCK	FRESH DELIVERED
15% OR LESS				
RANGE	-	16.50-19.00	14.00-15.00	-
WTD AVERAGE		18.17	14.75	

201,600 pounds, this includes 80,000 pounds for export shipment.

FAT CONTENT	FROZEN FOB DOCK	FROZEN DELIVERED	FRESH FOB DOCK	FRESH DELIVERED
15-20%				
RANGE	12.00-16.00	17.00	11.00-13.00	13.00-14.50
WTD AVERAGE	14.11	17.00	11.61	13.94

1,925,200 pounds, this includes 400,000 pounds for export shipment.

FAT CONTENT	FROZEN FOB DOCK	FROZEN DELIVERED	FRESH FOB DOCK	FRESH DELIVERED
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

0 pounds,this includes 0 pounds for export shipment.
* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 27-AUG-99

CHICKEN PRICES

FAT CONTENT	FROZEN FOB DOCK	FROZEN DELIVERED	FRESH FOB DOCK	FRESH DELIVERED
15% OR LESS				
RANGE	16.00-18.00	-	16.00-18.00	-
WTD AVERAGE	16.22		17.70	

1,292,000 pounds, this includes 320,000 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

FAT CONTENT	FROZEN FOB DOCK	FROZEN DELIVERED	FRESH FOB DOCK	FRESH DELIVERED
15% OR LESS				
RANGE	14.00	16.00	-	17.00
WTD AVERAGE	14.00	16.00		17.00

720,000 pounds, this includes 0 pounds for export shipment.

FAT CONTENT	FROZEN FOB DOCK	FROZEN DELIVERED	FRESH FOB DOCK	FRESH DELIVERED
15-20%				
RANGE	13.75-15.00	14.00	12.00-14.75	13.00-14.00
WTD AVERAGE	14.85	14.00	13.70	13.38

2,262,600 pounds, this includes 600,000 pounds for export shipment.

FAT CONTENT	FROZEN FOB DOCK	FROZEN DELIVERED	FRESH FOB DOCK	FRESH DELIVERED
20% OR MORE				
RANGE	13.25	-	13.50	-
WTD AVERAGE	13.25		13.50	

240,000 pounds, this includes 0 pounds for export shipment.
* INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS
AUGUST 27, 1999

Undertone barely steady at best on frozen thigh meat, tom drums and tom full-cut wings with trading noted at steady to lower price levels. V-type wing undertone steady to firm with hens strongest. Frozen tom breast meat from new production for prompt shipment commanded premiums. Fresh tom breast meat steady with holiday processing schedules starting to affect markets. Some premiums noted on Grade A 8% 4-8 lb. breast trades. Plant grade 12-14 lb. breasts (1 load) 135, fresh destrapped tenderloins (2 loads) 175 cents delivered. For export: hen drums (3 rail-cars) 16, frozen MST (28 containers, September-December) 17 cents.

FRIDAY, AUGUST 27, 1999

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	13.00-18.00		15.12	788	15.94	1,432
WINGS FULL-CUT - TOMS	16.00		16.00	1,020	16.11	1,268
WINGS, V-TYPE, TOM	21.00		21.00	104	21.00	520
TAILS	15.00		15.00	40	16.75	80
MECHANICALLY SEPARATED 2/	16.00-19.00		17.94	1,000	17.92	1,020
THIGH MEAT - FROZEN	54.00-58.00		55.11	288	55.46	328

THURSDAY, AUGUST 26, 1999

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	16.00-16.50		16.14	296
WINGS FULL-CUT - TOMS	16.50		16.50	208
WINGS, V-TYPE, TOM	20.00-22.00		20.83	312
TAILS		W	18.50	40
MECHANICALLY SEPARATED 2/		W	17.00	20
THIGH MEAT - FROZEN		W	58.00	40

WEDNESDAY, AUGUST 25, 1999

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	16.00-21.00		18.43	244
WINGS FULL-CUT - TOMS	17.00		17.00	40
WINGS, V-TYPE, TOM	21.50		21.50	104
TAILS	18.50		18.50	40
MECHANICALLY SEPARATED 2/	17.00		17.00	20
THIGH MEAT - FROZEN	58.00		58.00	40

TUESDAY, AUGUST 24, 1999

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	15.75	104
WINGS FULL-CUT - TOMS		R	19.25	80
WINGS, V-TYPE, TOM		R	19.56	468
TAILS				
MECHANICALLY SEPARATED 2/		F	16.50	80
THIGH MEAT - FROZEN		W	56.00	40

MONDAY, AUGUST 23, 1999

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	15.75		15.75	104
WINGS FULL-CUT - TOMS		R	19.25	80
WINGS, V-TYPE, TOM		R	19.56	468
TAILS				
MECHANICALLY SEPARATED 2/		F	16.50	80
THIGH MEAT - FROZEN		W	56.00	40

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY
2/ Product contains 15-20% fat with skin added.

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